

## PROPOSED SECTION 1 OF EXHIBIT C

### 1. DETERMINATION OF ANNUAL TIER 1 BLOCK AMOUNTS, MONTHLY SHAPING FACTORS, AND MONTHLY TIER 1 BLOCK AMOUNTS

#### 1.1 Determination of Annual Tier 1 Block Amounts

No later than ~~x30~~ days prior to the beginning of FY 2012, and no later than ~~x30~~ days prior to the beginning of each FY thereafter, the annual Tier 1 Block Amount shall be determined pursuant to section 4.4.1 of the body of this Agreement and entered into the table below.

**Annual Tier 1 Block Amounts**

Fiscal Year	Annual Tier 1 Block Amount (aMW)
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	

#### 1.2 Determination of Monthly Shaping Factors

The Monthly Shaping Factors that are used to determine monthly Tier 1 Block Amounts shall be determined as follows:

*Option 1: Include if customer chooses a flat annual shape.*

##### 1.2.1 Flat Annual Monthly Shaping Factors

The Monthly Shaping Factors for Tier 1 Block Amounts made available in a flat annual monthly shape shall be as specified in the table below.

Month	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Monthly Shaping Factor	0.083 <del>33</del>	1.000 <del>00</del>											

*End Option 1.*

**Option 2:** *Include if customer chooses monthly Shaping Factors shaped to monthly Net Requirement.*

**1.2.1 Monthly Shaping Factors Shaped to Monthly Net Requirement**

The monthly Shaping Factors, as shaped to «Customer Name»'s Net Requirement, shall be determined pursuant to the following procedure:

**1.2.1.1 Calculation of Monthly and Annual Adjusted Total Retail Load For FY 2010**

Calculate «Customer Name»'s monthly and annual "Adjusted 2010 Total Retail Load," expressed in MWh, by adjusting «Customer Name»'s monthly and annual actual Total Retail Load for FY 2010 to reflect:

- (1) weather normalization in accordance with the procedures specified in section \_\_\_\_ of the TRM;
- (2) any Force Majeure events affecting «Customer Name»'s Dedicated Resources, system, or operations in Fiscal Year 2010 that materially alter «Customer Name»'s actual FY 2010 Total Retail Load; and
- (3) {other?}.

**1.2.1.2 Calculation of Monthly Shaping Factors**

The Monthly Shaping Factors shall be determined pursuant to the following procedure:

- Subtract from the monthly and annual Adjusted 2010 Total Retail Load the monthly and annual firm output of the Existing Dedicated Resources as defined in the TRM declared by «Customer Name» in 2006 to serve «Customer Name»'s Total Retail Load during Fiscal year 2010 (as identified in Exhibit A), which will yield the "Initial Monthly Value" (IMV) and the "Initial Annual Value" (IAV);
- Adjust the IMV and the IAV to reflect applicable BPA policy decisions concerning resource adjustments (for example, the treatment of the Centralia Plant), which will yield the final monthly value (FMV) and the final annual value (FAV); and
- Divide each FMV by the FAV to determine the final Monthly Shaping Factors, as shown in the table below and rounded to 3 decimal places.

Monthly Shaping Factors													
Month	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Monthly Shaping Factor													1.000

*End Option 2.*

### 1.3 Monthly Tier 1 Block Amounts

The monthly Tier 1 Block Amounts for each FY, beginning with FY 2012, shall be equal to (1) the annual Tier 1 Block Amount as specified in section 1.1 of this Exhibit C multiplied by the Monthly Shaping Factors specified in section 1.2 of this Exhibit C. Such amounts shall be entered into the table below.

FY	Monthly Tier 1 Block Amounts (MWh)											
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2012												
2013												
2014												
2015												
2016												
2017												
2018												
2019												
2020												
2021												
2022												
2023												
2024												
2025												
2026												
2027												
2028												